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FISCAL IMPACT STATEMENT

LS 6909

BILL NUMBER: SB 227

NOTE PREPARED: Feb 13, 2009

BILL AMENDED: Feb 12, 2009

SUBJECT: Charter School Access to Various Funds and Facilities.

FIRST AUTHOR: Sen. Lubbers

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill allows any charter school located in Indianapolis to have access to funds from the Indianapolis Bond Bank. (Current law allows only charter schools established by the mayor to have access.)

The bill provides that a charter school may receive technology funds.

The bill provides that a charter school may provide services and receive funding for providing services to a preschool child in the same manner as other public schools.

The bill requires a school corporation to report closed, vacant, or unused facilities to the Department of Education for publication on the Internet. It provides that the vacant facilities must be offered for sale to charter schools and other educational institutions before the facilities may be otherwise sold.

Effective Date: July 1, 2009.

Explanation of State Expenditures: The bill would allow charter schools to participate in some state programs they can not currently offer. According to the Department of Education, the state programs charter schools have not been able to participate in had some required local property tax requirement, the primary program being the special education preschool program. Charter schools can currently participate in the lunch, textbook reimbursement, limited English, and alternative education programs.

Special Education Preschool Grant: The current special education preschool formula is (a) \$2,750 times the number of special education preschool students. The impact would depend on if additional special education

children enrolled in preschool programs. If the children enrolled in the charter special education preschool programs would have enrolled in public school programs, then there is no impact. If the additional charter schools increase special education preschool children enrollment, then the impact would be about \$2,750 per additional student.

For FY 2009, the appropriation for preschool special education was \$35.4 M. Any additional preschool special education students would be funded within the current appropriation level. If the addition of these children caused the distribution formula to exceed the appropriation, then the \$2,750 grant would be reduced so that the actual distribution equals the appropriation.

Education Technology Grant: The bill would allow charter schools to receive school technology funds like other public schools. The Technology Plan Grant Program provides each eligible school corporation funding to accelerate and implement its 1:1 in high school core content classrooms. Schools with the lowest AV per student are funded first during the cycle. Schools are eligible to receive the grant once per cycle.

For the 2007-09 biennium, the Technology Plan Grant funding schedule allows:

- \$25,000 for school corporations with an ADM of 250 or less or only one school building.
- \$35,000 for school corporations with an ADM of more than 250 but less than 500.
- \$50,000 for school corporations with an ADM of more than 500 with an additional \$25 for each ADM exceeding 500.

The appropriation was \$5 M for the biennium. On average about 26 school corporations have received the grant annually.

(Revised) Closed, Vacant, or Unused School Facilities: The bill requires schools to report to Department of Education any closed, vacant, or unused school facilities for publication on the Internet. The Department could have some additional expense associated with collecting the information and publishing it on the Internet. The cost would probably be minor.

Explanation of State Revenues:

Explanation of Local Expenditures: *(Revised) Closed, Vacant, or Unused School Facilities:* Schools could incur some additional expense in reporting closed, vacant, or unused school facilities to the Department of Education. The largest cost would be for the initial report. The bill also grants charter schools the first right to purchase or lease any facilities a school decides to sell or lease. The bill could increase revenue for local schools and decrease the cost of obtaining facilities for charter schools.

Explanation of Local Revenues: *Indianapolis Bond Bank:* The bill could allow the Marion County charter schools that are not authorized by the mayor greater access to borrowing. For the 2008-2009 school year, there were 21 charter schools in Indianapolis. Of the 21 charter schools, 17 were authorized by the mayor and 4 were authorized by Ball State.

Special Education Preschool: If the state special education preschool distribution exceeds the appropriation, then the \$2,750 grant per student could be reduced to not overspend the appropriation. Any impact on individual schools would depend on the total number of students eligible for the grants.

Education Technology Grant: The bill could delay when a school corporation might receive their technology grant. Since charter schools have no AV, they would be eligible to receive the grant for the FY 2010 fiscal

year. Schools that would have been eligible in that year might have their funding delayed by one year.

State Agencies Affected: Department of Education.

Local Agencies Affected: Charter schools; Local schools.

Information Sources: Department of Education, *Digest of Public School Finance in Indiana 2007-09 Biennium*.

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